GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:309
ANSWERED ON:17.08.2006
SUBSIDY TO PRIVATE SECTOR OIL COMPANIES
Khan Shri Mohammad Tahir;Yadav Shri Kailash Nath Singh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any social responsibility has been assigned to the private sector oil companies;

(b) if so, the details thereof;

(c) whether the private sector oil companies have demanded subsidy from the Government on the lines of subsidy being given to the public sector oil companies;

(d) if so, the details thereof; and

(e) the action taken by the Government thereon?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (e) : A Statement is laid on the Table of House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No.309 by Shri Kailash Nath Singh Yadav and Shri Mohd. Tahir to be answered on 17th August, 2006 regarding subsidy to private sector oil companies.

(a)&(b) : No, Sir. Corporate Social Responsibility is a purely voluntary effort under which a company - whether private or public - undertakes social initiatives from its own surpluses/funds.
(c)to(e): Yes, Sir. The private sector oil companies have demanded subsidy from Government for the losses they have sustained on sales of petrol and diesel. However, since they are not subject to pricing restrictions by the Government, there can be no compensation for marketing of petrol and diesel within the country by them. Private oil companies are free to take their pricing decisions on commercial considerations. It may be added that all companies, including PSUs namely ONGC, MRPL and NRL who have been granted authorization to market petrol and diesel in terms of the Government Resolution of 8th March, 2002 are not covered under the subsidy sharing mechanism.